NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises

THIS LEASE AGREEMENT is made this Williams

## PAID UP OIL AND GAS LEASE (No Surface Use)

day of Februares

<u> Persin</u>

\_, 2009, by and between

28

Single

whose addresss is 3517 Vinetta Drive Fort LOGHL and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas hereinabove named as Lessee, but all other provisions (including the completion of blank space	75201, as Lessee. All printer	od portions of this lease were prep	as Lessor, ared by the party
In consideration of a cash bonus in hand paid and the covenants herein contains described land, hereinafter called leased premises:	ed, Lessor hereby grants, lea	ases and lets exclusively to Less	see the following
ACRES OF LAND, MORE OR LESS, BEING LOT(S)  OUT OF THE CLEY PAYE  FORT WOYTH, TARRANT COUNTY, TE IN VOLUME 355-F, PAGE 263 OF TH	EXAS, ACCORDING T	, BLOCK TION, AN ADDITION TO T TO THAT CERTAIN PLAT F TARRANT COUNTY, TE	THE CITY OF RECORDED
in the County of Tarrant, State of TEXAS, containing 1998 gross acres, mor reversion, prescription or otherwise), for the purpose of exploring for, developing, producing substances produced in association therewith (including geophysical/seismic operations), commercial gases, as well as hydrocarbon gases. In addition to the above-described leased land now or hereafter owned by Lessor which are contiguous or adjacent to the above-describest Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a of determining the amount of any shut-in royalties hereunder, the number of gross acres above	and marketing oil and gas, The term "gas" as used he premises, this lease also co- ibed leased premises, and, in more complete or accurate d	erein includes helium, carbon di overs accretions and any small st n consideration of the aforementio description of the land so covered.	non hydrocarbon ioxide and other rips or parcels of oned cash bonus, For the purpose
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primas long thereafter as oil or gas or other substances covered hereby are produced in paying quotherwise maintained in effect pursuant to the provisions hereof.  3. Royalties on oil, gas and other substances produced and saved hereunder shall be separated at Lessee's separator facilities, the royalty shall be Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provide wellhead market price then prevailing in the same field (or if there is no such price then prevailing price) for production of similar grade and gravity; (b) for gas (including casing the continuing right to purchase such production at the prevailing wellhead market price; then prevailing received the continuing right to purchase such production at the prevailing wellhead market price; then prevailing in the same field, then in the nearest field in which there is such a prevailing nearest preceding date as the date on which Lessee commences its purchases hereunder; and the leased premises or lands pooled therewith are capable of either producing oil or gas or oth hydraulic fracture stimulation, but such well or wells are either shut-in or production there from be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covere depository designated below, on or before the end of said 90-day period and thereafter on or lare shut-in or production there from is not being sold by Lessee; provided that if this lease Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in fosuch operations or production. Lessee's failure to properly pay shut-in royalty shall render L. 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to be Lessor's depository agent for receiving payments regardless of changes in the ownership of draft and s	paid by Lessee to Lessor as  ( ) L+ ) of such ided that Lessee shall have to prevailing in the same field, go head gas) and all other so the sale thereof, less a proport otherwise marketing such gapaid for production of similar oprice) pursuant to comparable do just a first the end of the primarier substances covered herebed by this lease, such paymer before each anniversary of this otherwise being maintained in royalty shall be due until the essee liable for the amount die be succeeded by another in strument naming another instrument naming another instrume	follows: (a) For oil and other liquid production, to be delivered at Let the continuing right to purchase substances covered hereby, the portionate part of ad valorem taxes as or other substances, provided a quality in the same field (or if there le purchase contracts entered into my term or any time thereafter one by in paying quantities or such we such well or wells shall neverthele for wells are shut-in or production into be made to Lessor or to Lesse end of said 90-day period while ed by operations, or if production in the production of the 90-day period next follow, but shall not operate to terminities, but shall not operate to terminities (hereinafter called "dry hole any cause, including a revision of so not otherwise being maintained all or for otherwise being maintained of the my safet such cessation of all is then engaged in drilling, reworking or more of such operations are substances covered hereby, as less or lands pooled therewith, or less or lands pooled therewith, or	th or this lease is uid hydrocarbons essee's option to uch production at a there is such a royalty shall be sand production, that Lessee shall e is no such price or on the same or or more wells on elsa re waiting on ess be deemed to there from is not sor's credit in the the well or wells is being sold by llowing cessation ate this lease. It is sors, which shall or by check or by Lessor at the last refuse to accept eive payments.  E') on the leased of unit boundaries in force it shall toring production. If at king or any other expresecuted with ontereafter as notities hereunder, ar circumstances (b) to protect the
additional wells except as expressly provided herein.  6. Lessee shall have the right but not the obligation to pool all or any part of the lease depths or zones, and as to any or all substances covered by this lease, either before or after proper to do so in order to prudently develop or operate the leased premises, whether or not is unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; prompletion to conform to any well spacing or density pattern that may be prescribed or permitted of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by ap prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet perfect or more per barrel, based on 24-hour production test conducted under normal production may not be term "horizontal completion" means an oil well in which the horizontal equipment; and the term "horizontal completion" means an oil well in which the horizontal equipment; and the term "horizontal completion" means an oil well in which the horizontal component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a verous reworking operations on the leased premises, except that the production on which Lessor's round acreage covered by this lease and included in the unit bears to the total gross acreage Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder unit formed hereunder by expansion or contraction or both, either before or after commence prescribed or permitted by the governmental authority having jurisdiction, or to conform to an making such a revision, tessee shall file of record a written declaration describing the revised leased premises is included in or excluded from the unit by virtue of such revision, the proportion a written declaration describing the unit and stating the date of termination. Pooling hereunder 7. If Lessor owns less than the full mineral estate in	er the commencement of pro- cimilar pooling authority exists ed 80 acres plus a maximum provided that a larger unit may ted by any governmental auth plicable law or the appropria er barrel and "gas well" means cing conditions using standa component of the gross comp written declaration describing art of the leased premises st pyalty is calculated shall be th in the unit, but only to the eyer, and Lessee shall have the ement of production, in order my productive acreage determated unit and stating the effective tion of unit production on which in permanent cessation thereo shall not constitute a crosse- ces, the royalties and shut-in ro-	oduction, whenever Lessee deems with respect to such other lands acreage toterance of 10%, and for ybe formed for an oil well or gashority having jurisdiction to do solute governmental authority, or, if no sa well with an initial gas-oil ratio and lease separator facilities or empletion interval in facilities or eletion interval in the reservoir excipted unit and stating the effective hall be treated as if it were product proportion of the total unit product to conform to the well spacing of the conform to the well spacing of the conformate by such government and the product of the conformation. To the extent a chroyalties are payable hereunder for any objects of the conformation for the such conformation for the such government of the conformation for the such government of the conformation for the extent a chroyalties are payable hereunder for any objects.	s it necessary or or interests. The or a gas well or a well or a well or a well or horizontal. For the purpose to definition is so of 100,000 cubic equivalent testing exeds the vertical existence of the control of the cutton which the function is sold by the control of the cutton o

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days affer Lessee has been furnished the original or certified or duly interest of the documents establishing such change of ownership to the satisfaction of Lessee) are the satisfaction of the documents establishing such change of ownership to the satisfaction of Lessee has each count of the documents establishing such change of ownership to the satisfaction of Lessee. until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises are except water from Lesson's wells or node. In exploring developing producing from the leased premises of leased premises. except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

  Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- Lessor a lease covering any of all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns, and conveys unto Lessee its successors and assigns, a pernetual subsurface well bore.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- executed in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

heirs, devisees, executors, administrators, successors and assigns, whether  LESSOR (WHETHER ONE OR MORE)	or not this lease has been executed by all parties hereinabove named as Lessor.
By: Lee Roy Williams	By:
STATE OF 16 X a S  COUNTY OF 1 ar rand  This instrument was acknowledged before me on the 12 by: 1 de Roy William S	day of <u>FEDY LICE V</u> , 2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	Notary Public, State of 72.  Nofary's name (printed):  Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of, 2009,



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

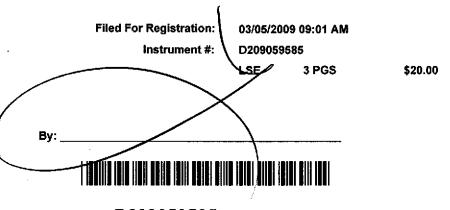
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209059585

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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